EDUCATION SAVINGS ACCOUNTS/Cloture (2nd Attempt on Compromise)

SUBJECT: Education Savings Act for Public and Private Schools . . . H.R. 2646. Lott motion to close debate.

ACTION: CLOTURE MOTION REJECTED, 58-42

As amended, H.R. 2646, the Parent and Student Savings Account PLUS Act, will enact the compromise provisions of S. 1133, as reported, on education savings accounts and other education initiatives. It will expand the recently enacted education savings account tax credit, will provide an exclusion from gross income for distributions from qualified State tuition programs, will extend and expand the current-law section 127 tax exclusion (for employer-provided education assistance), and will assist local governments in issuing bonds for school construction by increasing the small-issuer bond exemption. In total, the bill will provide approximately \$6 billion in tax relief for education over the next 10 years. That cost will be more than fully offset by modifying the employer deduction for vacation pay and by changing the treatment of the foreign tax credit carryback and carryforward periods (for increased revenues of \$6.9 billion over 10 years). The education tax credit will be expanded by increasing the annual contribution limit for education IRAs from \$500 to \$2,000 for taxable years 1999 through 2002 and by changing the definition of qualified education expenses to include kindergarten through twelfth (K-12) grade expenses (the credit currently applies only to higher education expenses).

On March 18, 1998, Senator Lott sent to the desk, for himself and others, a motion to close debate on the bill. The vote on that motion was delayed until March 26.

NOTE: A three-fifths majority (60) vote is required to invoke cloture. This vote was the second attempt to invoke cloture on the compromise language.

Those favoring the motion to invoke cloture contended:

	YEAS (58)			(See other side) NAYS (42)			NOT VOTING (0)	
Republicans (55 or 100%)		Democrats (3 or 7%)	Republicans (0 or 0%)	Democrats (42 or 93%)		Republicans (0)	Democrats (0)	
Abraham Allard Ashcroft Bennett Bond Brownback Burns Campbell Chafee Coats Cochran Collins Coverdell Craig D'Amato DeWine Domenici Enzi Faircloth Frist Gorton Gramm Grams Grassley Gregg Hagel Hatch Helms	Hutchinson Hutchison Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Warner	Breaux Lieberman Torricelli		Akaka Baucus Biden Bingaman Boxer Bryan Bumpers Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Feingold Feinstein Ford Glenn Graham Harkin Hollings	Inouye Johnson Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Mikulski Moseley-Braun Moynihan Murray Reed Reid Robb Rockefeller Sarbanes Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent nced Yea nced Nay Yea	

VOTE NO. 46 MARCH 26, 1998

A week has passed since the last cloture vote. During that time, the Majority Leader has made five separate proposals on how to proceed to the bill. Each time, Democrats have indicated that they have favored elements of those proposals, so we suppose progress has been made, but at the same time they have also always found new objections. We know that our Democratic colleagues have a different perspective on the course of these negotiations; they believe that they have been ceding ground. Still, we must confess to a degree of frustration. We have been working on this issue for a year now, and we have come up with a compromise proposal that is supported by more than enough Senators to invoke cloture, yet still a minority of Democratic Senators are blocking its passage. Our Democratic colleagues who support this bill are eventually either going to have to support cloture or convince their leadership to agree to a compromise on the order of procedure. If not, negotiations will be endless and we will never see this bill enacted. In that event, the losers will be the 15 million middle-class American families who stand to benefit from the educational benefits it contains.

Those opposing the motion to invoke cloture contended:

We have ceded one point after another during negotiations. We have given some ground on the number and type of amendments that Democrats may offer, and we have also given ground on the amount of debate time that we will use. However, we are not willing to give in to all of the demands of the majority. At times it seemed as though we were inches away from an agreement. We are still hopeful that a fair compromise will be reached. For now, we must again oppose cloture.